

By: Menéndez

S.B. No. 217

A BILL TO BE ENTITLED

AN ACT

relating to a supplemental payment for retirees of the Teacher Retirement System of Texas and the unfunded actuarial liabilities allowed under that system.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 821.006, Government Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) Notwithstanding Subsections (a) and (b), the retirement system may provide a one-time supplemental payment to an annuitant eligible to receive:

(1) a standard retirement annuity payment;

(2) an optional retirement annuity payment as either a retiree or beneficiary;

(3) a life annuity payment under Section 824.402(a)(4);

(4) an annuity for a guaranteed period of 60 months under Section 824.402(a)(3); or

(5) an alternate payee annuity payment under Section 804.005.

(d) A one-time supplemental payment under Subsection (c) is authorized if the amortization period for the unfunded actuarial liabilities of the retirement system does not exceed 30 years by one or more years after payment of the supplemental payment.

SECTION 2. (a) The Teacher Retirement System of Texas

1 shall make a one-time supplemental payment of a retirement or death
2 benefit, as provided by Section 821.006, Government Code, as
3 amended by this Act, and this section.

4 (b) The supplemental payment is payable not later than
5 September 2017 and, to the extent practicable, on a date or dates
6 that coincide with the regular annuity payment payable to each
7 eligible annuitant.

8 (c) The amount of the supplemental payment is equal to the
9 lesser of:

10 (1) the gross amount of the regular annuity payment to
11 which the eligible annuitant is otherwise entitled for the month of
12 August 2017; or

13 (2) \$2,400.

14 (d) The supplemental payment is payable without regard to
15 any forfeiture of benefits under Section 824.601, Government Code.
16 The Teacher Retirement System of Texas shall make applicable tax
17 withholding and other legally required deductions before
18 disbursing the supplemental payment. A supplemental payment under
19 this section is in addition to and not in lieu of the regular
20 monthly annuity payment to which the eligible annuitant is
21 otherwise entitled.

22 (e) Subject to Subsection (f) of this section, to be
23 eligible for the supplemental payment, a person must be, for the
24 month of August 2017, and disregarding any forfeiture of benefits
25 under Section 824.601, Government Code, an annuitant eligible to
26 receive:

27 (1) a standard retirement annuity payment;

1 (2) an optional retirement annuity payment as either a
2 retiree or beneficiary;

3 (3) a life annuity payment under Section
4 [824.402](#)(a)(4), Government Code;

5 (4) an annuity for a guaranteed period of 60 months
6 under Section [824.402](#)(a)(3), Government Code; or

7 (5) an alternate payee annuity payment under Section
8 [804.005](#), Government Code.

9 (f) If the annuitant is a retiree or a beneficiary under an
10 optional retirement payment plan, to be eligible for the
11 supplemental payment, the effective date of the retirement of the
12 member of the Teacher Retirement System of Texas must have been on
13 or before August 31, 2013. If the annuitant is a beneficiary under
14 Section [824.402](#)(a)(3) or (4), Government Code, to be eligible for
15 the supplemental payment, the date of death of the member of the
16 retirement system must have been on or before August 31, 2013. The
17 supplemental payment shall be made to an alternate payee who is an
18 annuitant under Section [804.005](#), Government Code, only if the
19 annuity payment to the alternate payee commenced on or before
20 August 31, 2013. The supplemental payment is in addition to the
21 guaranteed number of payments under Section [824.402](#)(a)(3),
22 [824.204](#)(c)(3) or (4), or [824.308](#)(c)(3) or (4), Government Code, and
23 may not be counted as one of the guaranteed monthly payments.

24 (g) The supplemental payment does not apply to payments
25 under:

26 (1) Section [824.304](#)(a), Government Code, relating to
27 disability retirees with less than 10 years of service credit;

1 (2) Section 824.804(b), Government Code, relating to
2 participants in the deferred retirement option plan with regard to
3 payments from their deferred retirement option plan accounts;

4 (3) Section 824.501(a), Government Code, relating to
5 retiree survivor beneficiaries who receive a survivor annuity in an
6 amount fixed by statute; or

7 (4) Section 824.404(a), Government Code, relating to
8 active member survivor beneficiaries who receive a survivor annuity
9 in an amount fixed by statute.

10 (h) Except as provided by this section, the board of
11 trustees of the Teacher Retirement System of Texas shall determine
12 the eligibility for and the amount and timing of a supplemental
13 payment and the manner in which the payment is made.

14 SECTION 3. This Act takes effect September 1, 2017.